

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the
Commission's Future Energy Efficiency Policies,
Administration and Programs.

Rulemaking 01-08-028
(Filed August 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING REGARDING
2003 ENERGY EFFICIENCY PROGRAMS**

This ruling sets forth my recommendations on the process for Commission consideration of the statewide and local energy efficiency program plans for 2003. It solicits proposals from investor-owned utilities (IOUs) and interested third parties to undertake statewide marketing/outreach for energy efficiency in 2003. The ruling does not at this time solicit additional local program proposals from third parties because the third party local programs the Commission funded this year extend through 2003. Parties may comment on this process as set forth below. It is possible that the full Commission will opt for a different approach to allocating 2003 energy efficiency funding. However, in order to get the process started in a timely way, I issue this ruling, which relies on the same process the Commission approved last year.

Background

In Decision (D.) 01-11-066, the Commission adopted new energy efficiency policy rules and delegated to the Assigned Commissioner and Administrative Law Judge (ALJ) many tasks related to implementing those rules. Currently, there is approximately \$273 million available in energy efficiency funding for 2003. This figure breaks down among the four large IOUs, Pacific Gas and

Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), as follows:

Utility Service Territory	Electric Budget	Gas Budget	Total Annual Budget	Percentage of Total
PG&E	\$106,000,000	\$12,888,000	\$118,888,000	43%
SCE	\$90,000,000	\$0	\$90,000,000	33%
SDG&E	\$32,000,000	\$5,500,000	\$37,500,000	14%
SoCalGas	\$0	\$26,995,000	\$26,995,000	10%
Statewide Total	\$228,000,000	45,383,000	\$273,383,000	100%
Percentage of Total	83%	17%	100%	

A portion of this amount (\$50 million) is already allocated to the third party local programs that the Commission approved in D.02-05-046 and D.02-06-046. These programs will run through 2003. I anticipate that the remainder of the funds will be allocated in the following way:

	Allocation of 2003 PGC Funds (million)	PGE	SCE	SDGE	SoCalGas
Third Party Local Programs (already allocated)	\$50.000	\$21.744	\$16.460	\$6.859	\$4.937
IOU Statewide and Local Programs	\$202.826	\$88.204	\$66.772	\$27.822	\$20.028
Statewide Marketing/Outreach	\$10.057	\$4.374	\$3.311	\$1.380	\$0.993
EM&V for IOU Programs and other studies	\$10.500	\$4.566	\$3.457	\$1.440	\$1.037
Total	\$273.383	\$118.888	\$90.000	\$37.500	\$26.995

The amount available for IOU statewide and local programs will be \$202.826 million.¹ The amount available for statewide marketing/outreach programs on energy efficiency will be \$10.057 million. IOUs and third parties may submit proposals for such programs as discussed below. The amount available for evaluation, measurement and verification (EM&V) of IOU programs and other

¹ The total amount will be higher if there are carry over funds from previous years.

required evaluative studies will be \$10.5 million. I will address this funding, and the nature of the studies, in a subsequent ruling.

IOU Statewide and Local Programs

For 2003, I anticipate the Commission will continue to fund energy efficiency programs in the same categories as those it set forth in D.01-11-066 for 2002—*i.e.*, statewide and local programs offering energy efficiency services in the areas of residential retrofit, residential new construction, nonresidential retrofit, nonresidential new construction, and cross-cutting programs.² Parties may comment on this approach as set forth below.

Statewide programs should be uniform, with consistent terms and requirements (*i.e.*, identical application procedures, financial incentives, and other program implementation details) throughout all the IOUs' service territories. The IOUs may continue their 2002 local programs into 2003 if they can demonstrate those programs are successful and that demand for the services they offer still exists at a high level.

No later than November 4, 2002, the IOUs shall file and serve their requests for energy efficiency funding for 2003, specifying energy savings, other targets, and detailed budgets for each statewide and local program. The IOUs shall submit separate plans for each program and include the following items:

- (1) A completed implementation Workbook, which follows the same format used for the program implementation plans for the 2002 programs. The Energy Division will send out a sample of the workbook to the IOUs. Any party that wishes a copy shall send a request by e-mail to ztc@cpuc.ca.gov or call (415) 703-2624.

² See discussion of the program mix for 2002 and categories of programs in D.01-11-066, pp. 7-18.

(2) A narrative that contains the following program plan and budget information, in the following order:

- Title of individual program
- Requested total budget
- Brief description of program (one page or less)
- If the program differs from the 2002 program, a list and description of the proposed changes
- If the program is the same as the 2002 program, demonstration that the 2002 program is successful and that demand for the services the program offers still exists at high level
- Energy and peak demand savings targets, as well as per-unit energy savings and unit-count projections, including quarterly performance goals that will result in reaching these targets
- Results of cost-effectiveness calculations, for those programs in which energy savings will be measured (*i.e.*, not information- or education-only programs)
- For information-only programs with no energy savings targets, other objective measures for evaluating program progress
- Hard-to-reach customer segment targets and quantifiable goals
- Plans for coordination with other energy efficiency programs around the state – including those run by the filing IOU, the other three IOUs, local programs being administered by the IOUs, low income programs, or any other energy efficiency programs with the potential for cooperative efforts
- Procedures for responding to customer questions or complaints regarding the program, and for resolving program or performance disputes with program participants or customers

Parties may file and serve comments on the IOU plans no later than November 15, 2002, and reply comments no later than November 22, 2002.

In developing their program plans and budgets for 2003, each IOU shall provide an accounting of the total amount of PGC funds available for its energy

efficiency programs in 2003. The IOUs should include calculations of the expected electric and gas PGC collections for 2003, as well as an accounting of any funds left over from previous years, including interest, that the IOUs can carry over and budget for 2003 programs.

Each IOU shall also provide a summary table with their program plans showing the allocation of their total program budgets to various program categories—*i.e.*, statewide vs. local, residential retrofit/new construction, nonresidential retrofit/new construction, and cross-cutting programs.

Statewide Marketing/Outreach Programs for 2003

For 2003, I anticipate the Commission will allow competitive bidding for statewide marketing and outreach programs so that IOUs and third parties can compete for the \$10.057 million in available funding. The Commission may consider increasing the amount allocated to these programs to as much as \$20 million dollars, depending on the quality of proposals we receive. The Commission desires program proposals that maintain a consistent statewide message through a mass-market advertising campaign. These programs may include information campaigns capitalizing on the success of the state's Flex Your Power campaign. The proposed programs should continue statewide messages on simple things individual consumers can do to reduce their bills and the risk of rolling blackouts, and/or increase consumer awareness of and participation in the statewide programs available to them. They should also primarily focus on an energy efficiency message rather than a conservation message that primarily advocates behavioral changes to save energy. The message should persuade consumers to make permanent changes to their homes and businesses so that

energy savings are not dependent on behavior once the energy efficiency measures are installed.³

In addition to marketing and outreach efforts for statewide programs, program proposals may also include activities designed to advertise and provide information regarding third party local programs available in various IOU service areas. An example of such an activity might be an energy efficiency hotline number included in all statewide outreach/marketing advertisements that would provide answers to customers about PGC-funded energy efficiency programs available in various areas of the state. There will be no limit on the number of program proposals or the value of the funding requests submitted by one entity.

IOUs and interested third parties may submit proposals for these types of programs on or before December 2, 2002. Proposals should follow the format shown in Attachment 2 to this ruling. Parties may file and serve comments on the proposals submitted no later than December 2, 2002, and reply comments no later than December 16, 2002. Once the Commission has made its statewide marketing/outreach program selections, I anticipate that it will direct the IOUs to execute standard contracts with third party providers awarded funding.

Filing and Service of Proposals

As noted above, proposals are due as follows:

³ As stated in the Energy Efficiency Policy Manual: “The following types of activities are not eligible for energy efficiency program funding out of PGC funds: . . . Load-shifting programs that rely only on temporary or impermanent behavioral change (programs that install *permanent* equipment to manage load, such as energy management systems, are eligible).” D.01-11-066, Attachment 1, at 17 (emphasis in original).

- November 4, 2002, IOU statewide and local program proposals
- December 2, 2002 IOU and third party marketing and outreach proposals

We will not accept late proposals, and parties will not be allowed to supplement their proposals after the due date, absent an order of this Commission, the Assigned Commissioner or the assigned ALJ. Proposals must be filed and served no later than the due date. Filing means that the proposal and all copies are *received* in the Commission's offices (addresses listed below) on or before the due date. Service means that the proposal is e-mailed to the service list for this proceeding on or before the due date. The service list is available at http://www.cpuc.ca.gov/published/service_lists/R0108028_30587.htm, or by calling (415) 702-2021 and asking for the service list for Rulemaking (R.) 01-08-028. The e-mail subject line should include the proposer's name and the proposal title. Parties shall label all proposals with the proceeding number R.01-08-028 and the words "2003 Energy Efficiency Program Selection." All proposals shall bear a signature page with the signature of an official of the proposing party, and include a proof of service demonstrating compliance with the e-mail service requirements of this ruling.

Parties should file one unbound original and six copies of each program proposal at one of the following addresses so that it is *received* no later than the due date:

California Public Utilities Commission
Docket Office
505 Van Ness Avenue, 2nd Floor
San Francisco, CA 94102
(415) 703-2121 (between 8:00 a.m.—5:00 p.m.)

California Public Utilities Commission
320 West 4th Street, Ste. 500
Los Angeles, CA 90013
(213) 576-7000

California Public Utilities Commission
1350 Front Street, Room 4006
San Diego, CA 92101-3611
(619) 525-4217

Questions about assembling proposals or requests for copies of relevant documents should be directed to (415) 703-2776 (Energy Division's Energy Efficiency Hotline), and to ee@cpuc.ca.gov, not to the Commission's Docket Office.

I anticipate that the Assigned Commissioner, the assigned ALJ, and/or the Commission's Energy Division will review all proposals from IOUs and third parties, and make a recommendation to the full Commission on the proposals selected for funding. The Commission will then vote on the recommended proposals. Attachment 1 to this ruling summarizes the procedural schedule for consideration of 2003 energy efficiency programs.

Comments on Recommended Process

Any party with comments on the process I recommend herein shall file and serve comments numbering no more than ten pages on or before November 15, 2002. Filing and service shall occur in compliance with the process spelled out in the previous section of this ruling. All comments shall be signed and include a proof of service demonstrating compliance with the e-mail service requirements.

IT IS RULED that:

1. Investor Owned Utilities (IOUs) Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and

Southern California Gas Company shall file and serve plans for their 2003 energy efficiency programs on or before November 4, 2002. The plans shall specify energy savings and other targets, and contain detailed information and budgets as described in this ruling.

2. In developing their program plans and budgets for 2003, each IOU shall provide an accounting of the total amount of Public Goods Charge (PGC) funds available for its energy efficiency programs in 2003—*i.e.*, calculations of the expected electric and gas PGC collections for 2003, as well as an accounting of any funds left over from previous years, including interest, that the IOU can carry over and budget for 2003 programs.

3. The total amount available for IOU programs in 2003 will be the total PGC funds available (as accounted for pursuant to ordering paragraph 2 above) minus the following amounts:

- \$50 million already allocated to third party programs in 2003,
- \$10.057 million at a minimum for statewide marketing/outreach programs on energy efficiency in 2003, and
- \$10.5 million set aside for evaluation, measurement and verification (EM&V) of the IOU programs in 2003 and other studies that the Commission finds necessary to undertake. There will be a separate ruling soliciting proposals for this funding.

4. Each IOU shall also provide a summary table with their program plans showing the allocation of their total program budgets to various program categories—*i.e.*, statewide vs. local, residential retrofit/new construction, nonresidential retrofit/new construction, and cross-cutting programs.

5. Both IOUs and third parties may submit proposals for the \$10.057 million available for statewide marketing and outreach programs. Proposals shall be

filed and served on or before December 2, 2002. Proposals should follow the general format shown in Attachment 2 to this ruling.

6. Parties may file and serve comments on the IOU plans no later than November 15, 2002, and reply comments no later than November 22, 2002.

7. Parties may file and serve comments on the statewide marketing and outreach program proposals submitted no later than December 16, 2002, and reply comments no later than December 23, 2002.

8. Parties may file and serve comments on the process set forth in this ruling on or before November 15, 2002. Comments shall number no more than ten pages. Filing and service shall occur in compliance with the process spelled out in Ordering Paragraph 9 below. All comments shall be signed and include a proof of service demonstrating compliance with the e-mail service requirements set forth in this ruling.

9. All proposals and comments shall be filed and served on or before the due date. “File” means that the document is *received* by the Commission’s Docket Office on or before the due date. Parties submitting proposals shall file one unbound original and six copies of each program proposal at one of the following addresses:

California Public Utilities Commission
Docket Office
505 Van Ness Avenue, 2nd Floor
San Francisco, CA 94102
(415) 703-2121 (between 8:00 a.m.—5:00 p.m.)

California Public Utilities Commission
320 West 4th Street, Ste. 500
Los Angeles, CA 90013
(213) 576-7000

California Public Utilities Commission
1350 Front Street, Room 4006
San Diego, CA 92101-3611

(619) 525-4217

“Serve” means that the document is e-mailed to the e-mail service list for this proceeding on or before the due date, and, in addition, mailed in hard copy to assigned Administrative Law Judge (ALJ) Sarah R. Thomas at California Public Utilities Commission, ALJ Division, 505 Van Ness Avenue, 5th Floor, Room 5105, San Francisco, CA 94102. The service list is available at http://www.cpuc.ca.gov/published/service_lists/R0108028_30587.htm. Click on the link, then click on “Download the Comma Delimited File.” Copy and paste column D from that file into an e-mail message. For questions on how to obtain the service list, the format to use for filing, and other procedural matters, contact the Commission’s Public Advisor at (415) 703-2074. Questions about assembling proposals or requests for copies of relevant documents should be directed to (415) 703-2776 (Energy Division’s Energy Efficiency Hotline), and to ee@cpuc.ca.gov, not to the Commission’s Docket Office.

10. Parties shall label all proposals with the proceeding number Rulemaking 01-08-028 and the words “2003 Energy Efficiency Program Selection.”

11. The Assigned Commissioner, the assigned ALJ, and/or the Commission’s Energy Division will review all proposals from IOUs and third parties, and make a recommendation to the full Commission on the proposals selected for funding.

Dated October 28, 2002, at San Francisco, California.

/s/ SARAH R. THOMAS

Sarah R. Thomas
Administrative Law Judge

ATTACHMENT 1

Procedural Schedule for 2003 Energy Efficiency Programs

Event	Deadline
IOUs to file program plans for 2003	November 4, 2002
Parties' comments on IOU program plans	November 15, 2002
Parties' reply comments on IOU program plans	November 22, 2002
IOUs and third parties to file proposals for statewide marketing and outreach programs	November 15, 2002
Any party to file comments on process set forth in this ruling	November 15, 2002
Parties' comments on statewide marketing and outreach program proposals	December 2, 2002
Parties' reply comments on statewide marketing and outreach program proposals	December 16, 2002

(END OF ATTACHMENT 1)

ATTACHMENT 2

2003 Statewide Marketing/Outreach Program Proposal Content and Budget Format

Proposal Content:

Each program proposal will need to include at least the following information, in the following order:

1. Cover page containing the following information: program title, proposer's name, address, contact person, telephone/fax numbers, and e-mail address.
2. Budget proposed (Use the summary budget format shown below). Upon acceptance of any proposal, a more complete budget will need to be filed following the worksheet format used for the program implementation plans for the 2002 programs.
3. Description of proposed marketing campaign or outreach effort, including efforts to target hard-to-reach residential and nonresidential consumers.
4. Media outlets to be used, e.g. television, radio, printed publications, consumer based organizations
5. Expected number of promotional spots, etc. to be produced or developed
6. Expected target audience
7. Number of IOU customers expected to be reached by marketing campaign or outreach effort
8. Plans for coordinating with statewide and local energy efficiency program providers
9. Methods of evaluating success of marketing and outreach efforts and using the results to make improvements
10. Experience of organization with marketing, media campaigns and educational outreach
11. Experience of organization with energy efficiency program delivery and/or marketing/outreach
12. Qualifications of proposed subcontractors
13. Disclosure of any financial or organizational relationships that could result in potential conflicts of interest (e.g., favoring certain programs or customers)
14. Timeline for implementation

Proposers may provide any additional information that they think will assist in the selection process.

Budget Summary Format:

The budget should be submitted as an Excel spreadsheet. Budget line items should not include loaded costs. There is a separate line item provided for projected profit and administrative/overhead expenses. For descriptions of what is to be included under each budget category, please see the budget definitions provided below. A proposer may provide more budget detail by including additional line items under the budget categories as provided. Please contact Tim Drew at zap@cpuc.ca.gov or Ariana Merlino at ru4@cpuc.ca.gov for questions regarding the budget format.

Budget Summary for Marketing/Outreach Proposals		
Item	\$	% of Total Program Budget
Administrative Costs		
Labor Benefits Travel/Conference/Training Reporting/Tracking/Development - Information Services Materials & Handling Overhead and General and Administrative costs Subcontractor Administrative costs		
<i>Total Administrative Costs</i>		
Marketing/Advertising/Outreach Costs		
Activity A (e.g., 6 brochures, 1000 copies, @ \$10 each) Activity B (e.g., # of television spots @ \$__) Activity C (e.g., # of outreach sessions), etc.		
<i>Total Marketing, Advertising, Outreach Costs</i>		
Evaluation, Measurement and Verification Costs		
Labor Benefits Travel/Conference/Training costs EM&V Reporting costs Materials & Handling Overhead and General and Administrative costs		
<i>Total Evaluation, Measurement and Verification Costs</i>		
Other Costs		
Profit Financing Cost		
<i>Total Other Costs</i>		
<i>Budget Grand Total</i>		

Program Cost Definitions:

Administrative Costs

Labor:

Type A - Program Planning/Design/Program Mgmt. -

Includes labor (including temporary agency) associated with the analysis, planning, and/or managing the activities of the programs throughout the program year.

Type B - Mgmt./Supervisor-

Includes labor (including temporary agency) incurred in managing, supervising, or directing activities.

Type C - Clerical Support -

Includes administrative support such as clerical and secretarial support includes temporary agency labor.

Benefits:

Pensions & Benefits -

Health care, workers compensations, long-term disability, life insurance, accidental death & dismemberment, benefits administration, and pension plan including vacation and sick leave.

Payroll Taxes -

Includes state, federal payroll, and social security taxes.

Travel Costs:

Type A - Mileage and Parking -

Includes mileage and parking fees, airfares, taxis, etc.

Type B - Other - Meals, Lodging, Miscellaneous Expenses -

Includes meals and lodging and other expenses.

Type C - Conference/Training Activities -

Includes course registration fees, conference fees, and other miscellaneous costs.

Reporting/Tracking/Development - Information Services:

Includes expenses incurred by reporting, tracking, and development information services and support personnel for the development and maintenance of computer programs and systems.

Materials and Handling:

Includes labor, material, contract and other miscellaneous expenses incurred for the acquisition, distribution and logistics of material, equipment and contract services.

Overhead and General and Administrative Costs:

Type A - Regulatory Support -

Includes services in support of regulatory filings, reporting, data requests (including data requests from other program implementers, utilities or CPUC) and other compliance issues.

Type B - Accounting Support –

Includes accounting services for program related expenses including budgetary and internal controls activities.

Type C – Communications/Telecommunications/Automated Systems Support –

Includes services in support of internal communications and automated systems. Also includes telecommunication equipment support and personal computer usage.

Type D - Human Resources Support –

Includes services in support of human resources activities directly related to program.

Type E – Facilities Costs –

Includes building and lease costs including related office expenses (e.g., building maintenance, lighting, etc.).

Type F – Supervision -

Includes allocated cascading supervision costs received from Director and VP of organizations administering and implementing energy efficiency programs.

Type G – Corporate Services -

Includes labor, material, contract and other miscellaneous expenses relating to corporate records retention, document management, drawing management, and graphics. Also includes corporate support services departments (e.g., human resources, legal, controllers, treasurers, benefits support, corporate administration, etc.).

Type H - Transportation Services, Shop Services -

Includes labor, material, contract and other miscellaneous expenses incurred to supply and maintain vehicles, apparatus tests and maintenance. Includes costs related to usage of company pool cars in conducting activities related to implementing energy efficiency programs.

Type I - Information Technology -

Includes labor, material, contract and other miscellaneous expenses relating to mainframe services, distributed services, desktop services, communication services, and general services.

Type J - Procurement and Material Management -

Includes general costs such as postage, office service requests, inspection and repair of office machines, copy machine lease/rental costs, cellular phone usage, and other organization support costs.

Subcontractor Costs:

Labor –

Includes labor associated with the analysis, planning, and/or managing the activities of the programs throughout the program year. Also, includes labor incurred in managing, supervising, or directing activities, including administrative support such as clerical and secretarial support. Labor costs should include only those paid to the employees or employee's agency, i.e. should not be fully-loaded or include any adders.

Benefits -

Health care, workers compensations, long-term disability, life insurance, accidental death & dismemberment, benefits administration, and pension plan.

Also, includes state, federal payroll, and social security taxes.

Overhead -

Includes labor, material, contract and other miscellaneous expenses relating to corporate records retention, document management, drawing management, graphics support, supply and maintain vehicles, apparatus tests and maintenance, computer desktop services, communication services, general services, and contract services.

Travel costs -

Includes mileage and parking fees, airfares, taxis, meals and lodging, course registration fees, conference fees, and other miscellaneous costs.

Reporting/Tracking/Development - Information Services

Includes expenses incurred by reporting, tracking, and development information services and support personnel for the development and maintenance of computer programs and systems.

Materials & Handling -

Includes labor, material, contract and other miscellaneous expenses incurred for the acquisition, distribution and logistics of material, equipment and contract services.

Overhead and General and Administrative costs -

General support activities such as: regulatory support (including data requests), accounting support, information services support, automated systems support, human resources support, facilities costs, internal audits, job skills training, mgmt. supervision, corporate services, transportation services, information technology, organizational communications and procurement and materials management.

Profit -

Represents any profits associated with program delivery including any labor adders (e.g., fully loaded labor rates), or mark-ups on retail/wholesale materials costs, etc.

Marketing/Advertising/Outreach Costs

Type A - Brochures/Booklets:

Examples include expenses for associated with brochures/booklets.

Type B - Advertising Support:

Examples include expenses related to electronic or printed media advertising and other miscellaneous media support activities.

Type C - Outreach:

Examples include costs associated with program outreach requiring customer interface.

Evaluation, Measurement and Verification Costs

Labor :

EM&V labor -

Includes EM&V labor incurred in managing, supervising, or directing measurement and evaluation activities, including administrative support such as clerical and secretarial. Labor costs should include only those paid to the employees or employee's agency.

Benefits:

Pensions & Benefits -

Health care, workers compensations, long-term disability, life insurance, accidental death & dismemberment, benefits administration, and pension plan.

Payroll Taxes -

Includes state, federal payroll, and social security taxes.

Travel Costs:

Type A - Mileage and Parking -

Includes mileage and parking fees airfares, taxis, etc.

Type B - Other - Meals, Lodging, Miscellaneous Expenses -

Includes meals and lodging and other expenses.

Type C - Conference/Training Activities -

Includes course registration fees, conference fees, and other miscellaneous costs.

Reporting costs:

EM&V report cost, i.e., consultant costs (e.g., Report 1 = \$60,000, Report 2 = \$85,000, etc.).

Materials and Handling:

Includes labor, material, contract and other miscellaneous expenses incurred for the acquisition, distribution and logistics of material, equipment and contract services.

Overhead and General and Administrative Costs:

Type A - Regulatory Support -

Includes services in support of regulatory filings, reporting, data requests (including data requests from other program implementers, utilities or CPUC) and other compliance issues.

Type B - Accounting Support -

Includes accounting services for program related expenses including budgetary and internal controls activities.

Type C - Communications/Telecommunications/Automated Systems Support -

Includes services in support of internal communications and automated systems. Also includes telecommunication equipment support and personal computer usage.

Type D - Human Resources Support -

Includes services in support of human resources activities directly related to program.

Type E - Facilities Costs -

Includes building and lease costs including related office expenses (e.g., building maintenance, lighting, etc.).

Type F - Supervision -

Includes allocated cascading supervision costs received from Director and VP of organizations administering and implementing energy efficiency programs.

Type G - Corporate Services -

Includes labor, material, contract and other miscellaneous expenses relating to corporate records retention, document management, drawing management, and graphics. Also includes corporate support services departments (e.g., human resources, legal, controllers, treasurers, benefits support, corporate administration, etc.).

Type H - Transportation Services, Shop Services -

Includes labor, material, contract and other miscellaneous expenses incurred to supply and maintain vehicles, apparatus tests and maintenance. Includes costs related to usage of company pool cars in conducting activities related to implementing energy efficiency programs.

Type I - Information Technology -

Includes labor, material, contract and other miscellaneous expenses relating to mainframe services, distributed services, desktop services, communication services, and general services.

Type J - Procurement and Material Management -

Includes general costs such as postage, office service requests, inspection and repair of office machines, copy machine lease/rental costs, cellular phone usage, and other organization support costs.

Other Costs

Financing Costs:

Represents any financing costs associated with program delivery.

Profit:

Represents any profits associated with program delivery including any labor adders (e.g., fully loaded labor rates), or mark-ups on retail/wholesale materials costs, etc.

(END OF ATTACHMENT 2)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding 2003 Energy Efficiency Programs on all parties of record in this proceeding or their attorneys of record.

Dated October 28, 2002, at San Francisco, California.

/s/ KRIS KELLER

Kris Keller

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.